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China, Peoples Republic of

Oilseeds and Products

Annual: Part 1 of 2 - Analysis

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Report Highlights:
Despite the outbreak of avian influenza and several other diseases in 2005, China's oilseed demand remained strong and normal growth is projected in the year ahead. Post forecasts MY06/07 soybean imports at 28.5 MMT and the preliminary estimate for MY05/06 to finish at 26.8 MMT. China's domestic production of all oilseeds in MY05/06, including soybeans, rapeseed, cottonseed, and peanuts, are estimated at 56.2 MMT, down by 1.5 MMT over the year before, mainly because of small crops for rapeseed and cottonseed. The total domestic oilseeds for MY06/07 is forecast at 56.7 MMT, slightly higher than the year before. Large multinational crushers accelerated their mergers and acquisitions of small to medium sized local crushers. The large crushers in the coastal regions will continue to rely on imported soybeans.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Despite the outbreak of avian influenza and several other diseases that occurred in China during 2005, China's oilseeds demand remained strong and a moderate growth rate is projected in the year ahead. Post forecasts MY06/07 soybean imports at 28.5 MMT and the preliminary estimate for MY05/06 to finish at 26.8 MMT. China's domestic production of all oilseeds in MY05/06, including soybeans, rapeseed, cottonseed, and peanuts, is estimated to dropped about 1.5 MMT over the year before, mainly because of small rapeseed and cottonseed crops. Forecast total domestic production of oilseeds for MY06/07 is 56.7 MMT, slightly higher than the 56.2 MMT the year before. Large multinational crushers accelerated their mergers and acquisitions of small to medium sized local crushers. The large crushers in the coastal regions will continue to rely on imported soybeans.

With a 9.9 percent GDP increase in 2005, population growing by about 7 million per annum, and a growing middle class that has more disposable income to spend on meats, oils, fish, and dairy products, the long-term outlook for oilseeds and related products in China remains very bright.

This report should be read together with CH6007, which contains detailed trade tables.

Oilseeds Situation and Outlook

Total Oilseeds

The MY06/07 total oilseed production is forecast at 56.7 MMT from a planted area of 28.8 million hectares. These figures are 1 percent and 0.7 percent higher respectively over MY05/06. The slightly higher forecast for MY06/07 is attributable to a relatively large cottonseed harvest, while production of other oilseeds is forecast to remain generally stable. Soybean production for MY06/07 is expected to drop fractionally because of the relatively lower returns received by farmers in Heilongjiang and Shandong in MY05/06. Rapeseed production for MY06/07 is projected to be similar to the lower than historical average production of MY05/06 because of lower farm-gate prices received in MY05/06 and both too much and too little moisture that occurred in the winter of 2005 in the major producing provinces such as Hubei. Peanut and sunflower seed production for MY06/07 are expected to be stable based on average yields and a stable planted area because of the reasonable returns farmers received for these crops during MY05/06. Competition for land from other crops, especially cotton and grains, and urbanization will continue to limit any substantial increase in planted areas. China's continued "go slow" approach on the commercialization of biotechnology, together with less than optimal agronomy practices, will limit yield increases. Except for the final approval of import of several GMO events for processing, China's biotech policy remained unchanged in the past year. It is likely that China will continue in the foreseeable future to position itself as a " GMO free" soybean producer to meet the food use demands in the domestic market and in overseas markets such as Japan.

Soybeans

Production

Soybean production for MY06/07 is forecast at 18 MMT, slightly below the estimated 18.3 MMT for MY05/06. The reduction is attributable to the forecast decreased planted area in Heilongjiang and Shandong provinces as a result of lower than anticipated prices farmers received for soybeans since harvest. Various sources stated that the limited benefit from the elimination of the agriculture tax plus the seed subsidies is insufficient to offset the reduction

of income due to the low price, relatively lower yield, and increased prices for fertilizer and chemicals. An industry survey showed that the returns from planting soybeans in Shandong dropped by 19 percent over the year before, and a survey by Shandong Provincial Commodity Price Bureau also showed similar results. Industry sources in Heilongjiang province also reported reduced returns received by soybean farmers. Therefore, farmers who have the option may choose to plant more relatively profitable cotton and grain crops. Any significant area change for soybeans, however, is unlikely due to limited available land. Also, given the government's very cautious approach to the application of biotechnology, less than optimal agronomy practices such as inadequate land rotation, and small production units, no dramatic increases in yields are expected in the foreseeable future.

It is worth mentioning that the estimated 18.3 MMT production for MY05/06 is about 1 MMT higher than the National Statistics Bureau (NBS) production for MY04/05. Various sources indicated that this is because of the area-based agricultural tax regime resulted in under reporting of planted area in Heilongjiang province before 2004. The removal the tax and the beginning of an area-based subsidy in 2005 resulted in an additional 600,000 to 1 million hectares of soybean planted area by Heilongjiang farmers based on different sources. Industry insiders, however, opined that the area and production increases are unlikely to affect the market significantly because most of them believe the real domestic production did not change significantly in the past few years, despite what the official NSB data shows. Post shares the opinion of the industry insiders and estimated China's annual soybean production was about 18 MMT for the past few years.

Trade

Soybean imports for MY06/07 are forecast at 28.5 MMT, up by 1.7 MMT as compared to the preliminary estimated 26.8 MMT for MY05/06. Soybean demand rebounded in MY04/05 from the unpredicted drop that occurred in MY03/04, when high soybean and freight prices, coupled with the Brazilian "Red Bean" * cases, attributed to low imports. The 25.8 MMT imports for MY05/06, or net increase of 8.8 MMT over MY03/04, reflects the record high demand. This demand is driven mainly by continuous high GDP growth (9.9 percent for 2005), with more disposal income for protein food and vegetable oils. MOA stated that, despite the outbreak of AI and other epidemic diseases, the strong growth of livestock and poultry production drove industrialized feed production to 103 MMT for 2005, up by 7 percent from 2004. Industry sources expect the growth to continue in the next few years, however, at relatively lower. Post also expects the import growth curve to level off to a more mature market growth rate.

The United States remains China's largest soybean supplier with record sales of 11.9 MMT for MY04/05, accounting for a 46 percent market share. The good harvest in South America at prices lower than U.S. soybeans in part slowed down and reduced U.S. exports in MY05/06, and is expected to put further pressure in the remaining months of MY05/06. In general, the United States will continue to face strong competition from Brazil and Argentine in the coming years.

* Fungicide - treated soybean seeds

	Oct 02 – Sept 03		Oct 03 – Sept 04		Oct 04 – Sept 05	
	MT	% Share	MT	% Share	MT	% Share
United States	7,702,997	35.97%	8,287,039	49%	11,873,208	46%
Brazil	7,492,534	34.99%	5,082,224	30%	7,100,842	28%
Argentina	6,207,244	28.98%	3,550,339	21%	6,700,504	26%
Other	12,969	.06%	13,271	-	127,372	-
Total	21,416,430	100%	16,932,873	100%	25,801,926	100%

Policy

As reported in the 2004 Oilseeds Annual (CH4010), on February 20, 2004, China's Ministry of Agriculture (MOA) issued final approval of Roundup Ready (RR) soybeans. Although the shipment-by-shipment certification by MOA is unnecessarily burdensome, traders did not report trade disruption related to GMO certificates in the past two years. According to MOA, traders receive GMO import certificates from MOA in 20 working days after filing the application. On July 8, 2005, China's MOA issued approval to the last U.S. GMO corn NK603. Together with the already approved seven, all the eight GMO corn events were awarded GMO safety certificates. This removes a potential trade barrier for importation of soybeans, as China's authority, based on AQSIQ Announcement No. 73, prohibits adventitious presence of unapproved GMOs in shipment. (CH5017).

Despite this breakthrough, China's policy makers remain ambivalent about biotechnology. Although they approved the import of RR soybeans and corn, farmers still cannot legally plant them. The "GMO-free" soybean-producing policy remains unchanged and is not likely to be abandoned in the foreseeable future. Although China is not a major exporter of soy-based food products, its "GMO-free" policy for domestic soybeans would ensure that it could still export such products to those European and Asian markets that restrict the import of biotech-driven foods.

On January 27, 2006, MOA issued Decree No 59 "Measures for Approval of Agricultural GMO Processing License", which will take effect on July 01, 2006. Currently Post is having the decree translated into English. The decree requests all agricultural GMO processors to apply for the "Processing License" from the provincial agricultural departments by submitting some qualification documents. The qualified applicant will be awarded license within 20 working days and the license remains valid for three years. A cursory review of the decree shows the basic qualifications stipulated in the decree can be met or already are being met by crushers. It is unlikely to be a big problem for them to meet its requirements. Some larger crushers indicated that none of them have received formal instructions from the provincial agricultural departments yet. They will, however, apply for the license as requested. Post will keep in touch with crushers to determine the potential trade impact.

Production policy remains generally unchanged. As the GOC puts grain security as its top priority, soybean production is determined by market demand. A senior agricultural advisor to the central government suggested that soybeans be classified as "oilseeds', instead of "Grain". In an effort to increase income for rural people particularly in the Northeast provinces, the government pays US$20 to 25 per hectare as seed and agricultural machinery subsidies to soybean farmers. This is likely to continue in the coming years mainly because of the government's concern about the expanding income gap between the rural and urban population.

Marketing

China's soybean market continues to be characterized by two segments – small to medium crushers in the Northeastern provinces of Heilongjiang and Jilin that rely primarily on domestic soybeans, and large crushers in the Southeast that mainly rely on imported soybeans. The marketing of the MY05/06 domestic crop was delayed for about ten days because of delayed sowing due to wet weather and was further delayed by the declining purchasing price, which made farmers hold their goods in expectation of a higher price. As of this writing, local traders reported farmers are still selling the 2005 crop. A shortage of rail cars is impeding the shipment of soybeans to other parts of the country.

China's soybean crushing industry continued to consolidate in 2005. Industry sources indicate that a new round of mergers and acquisitions by large multinational or domestic oil and grain investors has started. As a result of the drastic price fluctuation recorded in 2004, some small to medium sized crushers continue to face financial difficulties and some are looking to merge with large players to survive in an increasingly competitive market. The total crushing capacity continued to expand beyond 70 MMT per year. This expansion is occurring even though the utilized capacity is only between 40 to 50 percent. It is therefore likely that the mergers and acquisitions process will continue in MY05/06 and beyond.

For general marketing information, contact the American Soybean Association (ASA). ASA is actively involved in marketing activities in China. They can be reached via email at beisoya@asachina.org. FAS's Agricultural Trade Office in Beijing also can provide marketing assistance via atobeijing@usda.gov.

Stocks

MY06/07 ending stocks are forecast to be 4 MMT, slightly higher than MY05/06. The ending stocks are likely to increase along with the increase of total crush consumption.

Rapeseed

The MY06/07 rapeseed production is forecast at 11.5 MMT, which is 200,000 MT higher than the estimated 11.3 MMT production for MY05/06. Rapeseed production for MY05/06 dropped by about 1.9 MMT, or 14 percent, as compared to the record 13.18 MMT for MY04/05, as released by NBS. Various sources stated that the lower yield attributed to the fall of production, even though total planted area is estimated higher than that of MY04/05. The wet and cold weather resulted in delayed sowing, slow growth, and relatively low yields. Moreover, erratic rainfall in some regions in May 2005 delayed crop maturation. The projected 11.5 MMT for MY06/07 production is based on an average yield and a slightly reduced area. Recent news from the largest producing province – Hubei - shows the growth of the crop is rated below average because of the unfavorable weather in recent months; planted area is expected to decline due to a lower farm-gate price and returns from the previous crop.

Imports for MY06/07 are forecast at 400,000 MT, higher than the estimated 300,000 MT for MY05/06. Canada remains the largest supplier. Imports are expected to increase for MY06/07, provided the international market price is competitive, and the price ratio between soy and rapeseed oil in the domestic market has favored rapeseed oil. Exports are not significant.

Peanuts

The MY06/07 peanut production forecast is 14.6 MMT, 1 percent less than MY05/06. Total crush domestic consumption is forecast to reach 7.5 MMT MY06/07, slightly lower than the estimated 7.2 MMT for MY05/06. The crush consumption is unlikely to grow significantly in the foreseeable future because of strong export growth and growing food/snack/peanut milk consumption. Total production, however, appears to be stable. MY06/07 exports are forecast to be 1.1 MMT, as compared to the estimated 1.15 MMT for MY05/06. Japan remains the largest destination for China's peanut products. The market however is relatively stable. Export of shelled and processed peanuts to Russia grew rapidly to about 85,000 MT for MY04/05, up by 42 percent over MY03/04. For general background on China's peanut sector, see FAS/Beijing's, December 2003 "Peanut Sector Report," (CH3134). In Aug 2002, China published a draft standard that established maximum levels of aflatoxin B1 in foods, including peanuts. See CH3022 for details. Post knows of no problem created by this regulation.

Sunflower Seeds

Sunflower seeds remain a small component of China's oilseeds complex. They are forecast to account for 3 percent of MY06/07 total oilseeds production and 1.3 percent of crush domestic consumption. Approximately 50 percent of the total sunflower seed supply will be consumed as snacks.

Sunflower seed exports hit a record high of 115,023 MT for CY05, up by 51 percent as compared to CY04. Strong exports are attributable to a stable and growing production for CY04 and CY05, while domestic crushing use remained stable mainly because of ample availability of other cheap vegetable oils.

Oil Meal Situation and Outlook

The MY06/07 total oilseeds crush is forecast at 64 MMT, and meal production is forecast at 44.2 MMT (including fish meal). Soybean meal continues to dominate the oil meal complex, accounting for 63 percent of total meal production followed by rapeseed meal (16 percent), cottonseed meal (9 percent) and fish meal (3 percent).

Soybean Meal

Production and Consumption

Projected soybean meal (SBM) production for MY06/07 is 27.8 MMT, up by 3.3 percent from the preliminary estimated 26.9 MMT for MY05/06. The stable growth of all meats, egg and aquatic production, and high growth in the dairy sector are expected to continue in MY06/07. The following table shows China's production of animal products and industrialized feed from 2002 to 2005. The continued strong growth is driven mainly by two factors: China's continued strong GDP growth (more than 9 percent per year) increased disposable income for all consumers in both urban and rural regions; and, second, a net annual increase of about 7 million in population.

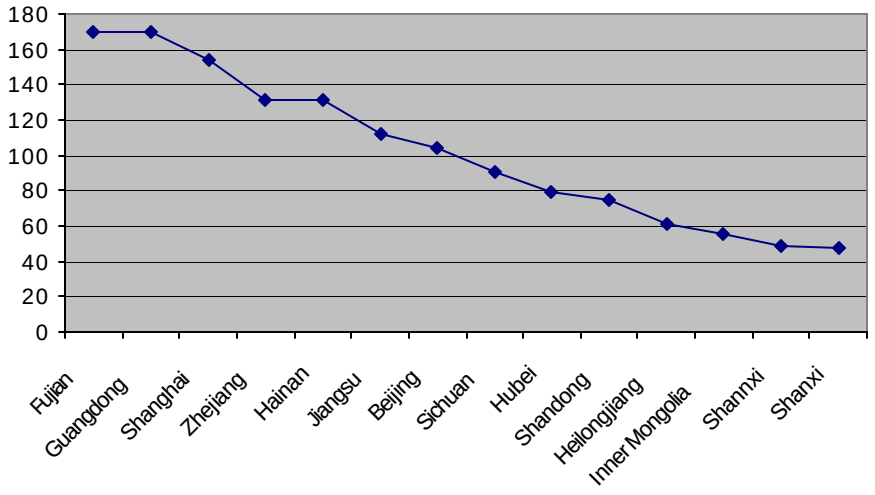
Production of Animal Products and Industrialized Feed from 2002-2005 (in million MT)

Year	2002*	2003*	2004*	2005**	Change% 05/04	Average Yearly Growth %
All Meat Products	65.86	69.3	72.44	76.5	5.6	5.1
Eggs	24.63	26.07	27.24	28.6	5	5.1
Milk Products	14	18.48	23.68	28.45	20.1	26.7
Cultured Aquatic Products	29.07	30.27	32.09	34	6	5.4
Industry Feed	83.19	87.12	96.6	103	6.63	5.5

Source: * China's Animal Husbandry Yearbook; **MOA estimated data

China's per capita expenditures for protein food, including all meats, poultry, eggs and aquatic products, for 2004 averaged US$94. The amount, however, varies among different regions, with the highest up to US$170 in Fujian and the lowest of US$48 in Shanxi. In fact, except in the larger cities and a few coastal provinces, most regions are below the national average. In general, the potential demand for protein food remains huge, especially in the vast rural provinces. This demand will drive demand for more protein meals, especially SBM. Please see the following table.

2004 Urban Per Capita Expenditures for Protein Food in Some Provinces (in US$)



Source: NSB 2005 China Price and Expenditures for Urban Population Statistics

Additionally, China's animal husbandry is increasingly modernized in terms of feeding practices. As people leave the farm for jobs in the city, they will leave their backyard pigs and chickens to be raised by commercial operators that will feed them rations high in soybean meal. This is fueling the strong growth of industrialized feed production. MOA forecast feed production to reach 150 MMT by 2010, with an annual growth rate of 8 percent. For more details about China's poultry, swine, dairy and aquaculture sectors, please see CH5064, CH5010, CH5075 and CH5098.

Trade

Exports: SMB exports continue to be a residual market factor. Industry sources indicated that whenever the export price is more profitable than the domestic price and crushers have extra SBM, they will continue to export it, but they have no intention of expanding their crush capacity solely to serve the export market. Actually, SBM exports for MY04/05 were only 633,000 MT, almost unchanged over MY03/04, and are not expected to change dramatically in MY06/07. Japan accounts for 91 percent of SBM exports, with South Korea and Malaysia in distant second and third places respectively. Exports are forecast to be 1 to 2 percent of total production.

Imports: Imports of SBM continue to be insignificant because China has excessive crushing capacity, so there is no need to import SBM. This shows no sign of changing in the foreseeable future.

Fishmeal

Fishmeal consumption continued to increase in 2005 to reach about 1.75 MMT, up by about 200,000 MT as compared to 2004. China's rapidly expanding livestock sector is driving growth in the feed sector, including fishmeal. Imports will fill the gap between increased demands and decreased domestic production, which fell to about 310,000 MT. Total imports hit a new record of 1.58 MMT in 2005. Increased demand from the swine sector is driving import demand, because farmers prefer feeding a high protein ration to piglets to improve growth. Peru remains the largest supplier, accounting for 68 percent of China's total imports for 2005, followed by Chile (18 percent) and the United States (4 percent). Imports from the United States dropped to 67,000 MT from the 75,000 MT for 2004. China's yearly fish meal imports are unlikely to be less than 1 MMT in the coming years due to its huge animal and aquaculture industries, though price and availability of fish meal may affect imports.

Cottonseed Meal

Cottonseed meal production for MY06/07 is forecast to rise to about 3.9 MMT, as compared to the estimated record 3.7 MMT for MY05/06. This is because the relatively better returns cotton farmers received in MY05/06 may prompt expanded cotton area in some provinces. Cottonseed meal is widely used as a minor but still valuable protein source in the feed industry because of its relatively cheap price. As the world's largest cotton and textile producer, the GOC maintains a policy to encourage a stable cotton area. This means, except for a big crop like in MY04/05, cottonseed meal production and its share in the protein meal complex are expected to be stable in normal years.

Oil Situation and Outlook

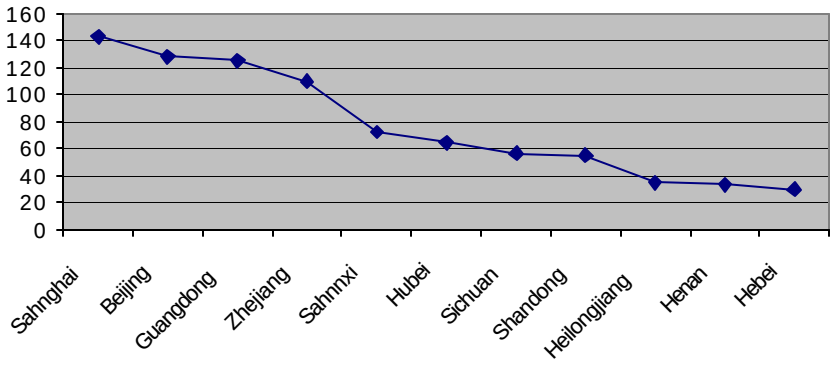
Total Oils

The total oil production for MY06/07 is forecast at 14.3 MMT, which is 500,000 MT higher than Post's MY05/06 preliminary estimate. Soybean oil continues to be the number one oil produced in China, accounting for 44 percent of total oil production, followed by rapeseed oil (28 percent), peanut oil (16 percent), cottonseed oil (9 percent), and sunflower seed oil (2 percent). Total oil imports for MY06/07 are forecast to increase to 8 MMT from the estimated 7.6 MMT for MY05/06. The MY06/07 forecast of total oil supply is 22.4 MMT compared to 21.6 MMT the year earlier. Demand for oil remains strong.

The MY06/07 total food use domestic consumption of oils is forecast at 20.2 MMT, which is 4 percent more than MY04/05. This amounts to 15.5 kg per person based on China's projected population of 1.3 billion. This is 35 percent less than Taiwan's 2002 per capita consumption

of 23.9 kg of vegetable oil (See FAS/Taiwan report, TW5001, Table 12- "Oil Imports and Production". Taiwan's population is 23.6 million.). So, even though China's oil consumption has grown rapidly in recent years, there still is significant growth potential before it reaches the level of that in Taiwan and other similar Asian markets. According to NBS's statistics, the per capita expenditures for dinning out by urban population averaged US$64 in 2004, with the highest of US$143 for Sahnghai and the lowest of US35 for Heilongjiang and Tibet. (See table below). Data for the rural population are not available but Post estimates them at be very low. With a 9.9 percent GDP growth in 2005, a growing middle class that has more disposable income and eats more meals outside the home, the long-term outlook for oil and oilseed imports remains very bright.

2004 Per Capita Expenditures for Dinning Out by Urban People in some Provinces (in US$)



Source: NSB 2005 China Price and Expenditures for Urban Population Statistics

On January 01, 2006, in compliance with its WTO commitments, China eliminated the TRQ for vegetable oils (soy oil, palm oil and rapeseed oil), and replaced it with an "automatic import licensing system" for the purpose of monitoring the imports. As of this writing, Post knows of no problem created by this administrative system. On October 01, 2004, a national standard for soybean oil entered into force. The standard stipulates that the hexane residue level in imported crude soybean oil to be not more than 100mg/KG. Its impact on soybean oil trade appears to be insignificant according to industry sources.

The import duties for major oils including crude soybean oil, rapeseed oil and palm oil are 9 percent, the same as the "in quota duty rate". See details in Table 31.

The following table shows imports of vegetable oils for MY04/05 dropped by 360,000 MT as compared to the 6.9 MMT for MY03/04. The share of palm oil and copra oil, however, increased to about 70 percent from the 50 percent for MY03/04. The share of soybean oil dropped to 26 percent as compared to the 39 percent for MY03/04. The increases of palm oil in market share and total import volume are attributed to the price advantage and the modern blending technology, which makes all marketed vegetable oils appear similar. The 2005 wholesale prices for major oils fell with soybean price down by 12 percent and rapeseed oil by 16 percent. See Tables 25, 26 and 27 for detailed price comparison for soybean oil, rapeseed oil and palm oil for 2005.

China's Total Oils Import by Origins from MY02/03 to MY04/05

Country	MY02/03	Share %	MY03/04	Share %	MY04/05	Share %
Malaysia	2,298,010	45%	2,476,142	36%	3,034,718	46%
Argentina	1,139,968	22%	1,826,618	26%	1,326,129	20%
Indonesia	787,651	16%	1,076,105	15%	1,624,072	25%
Brazil	480,618	9%	901,633	13%	400,931	6%
Canada	22,964	0%	341,674	5%	208,785	3%
United States	95,006	2%	3	0%	827	0%
Other	255,738	5%	352,825	5%	17,878	0.3%
Total	5,080,000	100%	6,975,000	100%	6,613,340	100%

Soybean Oil

The MY06/07 soybean oil production forecast is 6.3 MMT, up 3.6 percent from last year's preliminary estimate. MY06/07 imports are forecast at 2.5 MMT, which is up by 100,000 MT as compared to the estimated 2.4 MMT for MY05/06. The relatively low imports for MY04/05 are attributed to high domestic production and record high imports for MY03/04. Soybean oil imports are forecast to remain strong for MY05/06 and MY06/07 because of growing consumption as a result of high GDP growth and Chinese consumers' disposable income rise, together with an annual net population increase of about 7 million. Additionally, the elimination of the soy oil import TRQ in January 2006 is supposed to facilitate imports. Argentina continued to be the number one supplier with 77 percent of total imports, followed by Brazil with 23 percent and other suppliers, including the United States, with very small volume. Brazil's market share dropped rapidly as compared to MY03/04.

Country	Oct 02 – Sept 03		Oct 03 - Sept 04		Oct 04 - Sept 05	
	MT	% Share	MT	% Share	MT	% Share
Argentina	1,139,968	66.43%	1,826,618	67%	1,326,169	77%
Brazil	480,618	28.01%	901,663	33%	400,931	23%
United States	95,006	5.54%	3	- %	800	- %
Other	485	0.03%	375	- %	305	- %
Total	1,716,076	100%	2,728,659	100%	1,728,205	100%

As indicated in Table 26, the wholesale prices for soybean oil and rapeseed oil were very close in the second half of 2005. This in part reflects more consumers in the traditionally rapeseed dominated regions opted for blended oils, which most refineries produce.

Rapeseed Oil

The MY06/07 rapeseed oil production forecast is 4 MMT, slightly higher than the estimated 3.9 MMT for MY05/06. Imports are forecast to increase to 400,000 MT from 350,000 MT in MY05/06. Industry sources explained relatively low imports are attributed to the high price in the global market. Exports are minimal and not expected to change in MY06/07. The price of rapeseed oil decreased 16 percent Jan-Dec 2005 and remained similar or lower than soybean oil in second half of 2005. Consumers' choice between rapeseed and soybean oil is based on price more than any taste preference. See Tables 24, 25, and 26 for details.

Palm and Other Oils

Palm oil imports are forecast to increase to 4.9 MMT in MY06/07 from the estimated 4.75 MMT in MY05/06. Malaysia dominated China's MY03/04 palm oil imports. It provided 69 percent of total imports for MY04/05. Indonesia was a distant second with 31 percent. See Trade Table 30 of CH6007 for details.

Demand for palm oil is very strong primarily because it remains cheaper than soybean oil. In 2005, the soybean oil price was 13 to 29 percent higher than palm oil. See Table 26. Some processors reportedly are blending palm oil with other vegetable oils and selling it as cooking oil. Industry sources estimated this use ranged from 2.5 to 3 MMT in 2005. Another factor contributing to the strong demand continues to be increased demand for processed foods, especially instant noodles, which use large amounts of palm oil. In China, packaged ready-to-eat instant noodles, which only require adding hot water, are popular with travelers, casual workers, and some office workers. With more and more people traveling and eating outside of the home, demand for instant noodles has risen sharply in recent years and is expected to continue rising in the near future.

This strong palm oil demand will be supplied by imports. China's past attempts to produce palm oil have failed because the climate and soil conditions are not correct for growing oil palm trees. Furthermore, China's close proximity to Malaysia and other major palm oil producers ensures adequate supplies and gives palm oil the advantage of cheaper shipping costs relative to other oils, especially soybean oil from Argentina and Brazil. The elimination of TRQ on January 01, 2006 is expected to facilitate palm oil imports.

Sunflower oil is becoming increasing popular among heath conscious, high-income urban consumers. This increased popularity not withstanding, given that sunflower seed oil generally is priced 30 percent higher than soybean oil, it is likely to remain a niche market product, accounting for a very small part of the total oil consumption.

No major changes are forecast for coconut oil. Imports fro MY06/07 are forecast at 160,000 MT, slightly higher than the estimated 150,000 MT for MY05/06. The major suppliers are Indonesia and Malaysia.

Statistics Tables

Total Oilseeds, Total Meal, and Total Oil PSD Tables

Table 1. Total Oilseeds

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Oilseeds**					
	2004	Revised	2005	Revised	2006	Revised
	USDA Official (Old)	Post Estimate (New)	USDA Official (Old)	Post Estimate (New)	USDA Official (Old)	Post Estimate (New)
Market Year Begin		10/2004		10/2005		10/2006
Area Planted	16450	29324	5400	28800	0	28850
Area Harvested	28232	28230	27900	28600	0	28850
Beginning Stocks	2100	1939	4700	3339	4100	3589
Production	57974	57976	54070	56200	0	56650
MY Imports	26121	26121	28705	27104	0	28903
MY Imp. from U.S.	0	11873	0	10002	0	10500
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**86195**	**86036**	**87475**	**86643**	**4100**	**89142**
MY Exports	1537	1597	1393	1669	0	1615
MY Exp. to the EC	0	258	0	290	0	310
Crush Dom. Consumption	59737	62048	62409	61639	0	64033
Food Use Dom. Consump.	14129	14200	14230	14795	0	14870
Feed,Seed,Waste Dm.Cn.	6092	4852	5343	4951	0	4985
TOTAL Dom. Consumption	79958	81100	81982	81385	0	83888
Ending Stocks	4700	3339	4100	3589	0	3639
TOTAL DISTRIBUTION	**86195**	**86036**	**87475**	**86643**	**0**	**89142**
Calendar Year Imports	0	20605	0	26893	0	27903
Calendar Yr Imp. U.S.	0	10198	0	11050	0	11002
Calendar Year Exports	0	1465	0	1466	0	1500
Calndr Yr Exp. to U.S.	0	27	0	42	0	50

Table 2. Total Meals

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Meal**					
	2004	Revised	2005	Revised	2006	Revised
	USDA Official (Old)	Post Estimate (New)	USDA Official (Old)	Post Estimate (New)	USDA Official (Old)	Post Estimate (New)
Market Year Begin		10/2004		10/2005		10/2006
Crush	59737	62048	63187	61639	0	64033
Extr. Rate, 999.9999						
Beginning Stocks	0	0	0	0	0	0
Production	39207	40523	42422	40939	0	42461
MY Imports	1797	1796	1948	1621	0	1721
MY Imp. from U.S.	0	75	0	80	0	85
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**41004**	**42319**	**44370**	**42560**	**0**	**44182**
MY Exports	821	840	912	757	0	666
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	1240	1280	1174	1311	0	1330
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	38943	40199	42284	40492	0	42186
TOTAL Dom. Consumption	40183	41479	43458	41803	0	43516
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	41004	42319	44370	42560	0	44182
Calendar Year Imports	0	1805	94	1340	0	1450
Calendar Yr Imp. U.S.	0	75	0	80	0	85
Calendar Year Exports	0	788	125	785	0	655
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 3. Total Oils

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Oils**					
	2004	Revised	2005	Revised	2006	Revised
	USDA Official (Old)	Post Estimate (New)	USDA Official (Old)	Post Estimate (New)	USDA Official (Old)	Post Estimate (New)
Market Year Begin		10/2004		10/2005		10/2006
Crush	59737	62048	62409	61639	0	64033
Extr. Rate, 999.9999						
Beginning Stocks	341	320	247	220	230	200
Production	13705	14094	14201	13776	0	14262
MY Imports	6444	6390	7390	7656	0	7967
MY Imp. from U.S.	0	1	0	5	0	10
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**20490**	**20804**	**21838**	**21652**	**230**	**22429**
MY Exports	69	69	120	150	0	120
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	1644	1600	1900	1820	0	1870
Food Use Dom. Consump.	18530	18915	19588	19482	0	20209
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	20174	20515	21488	21302	0	22079
Ending Stocks	247	220	230	200	0	230
TOTAL DISTRIBUTION	**20490**	**20804**	**21838**	**21652**	**0**	**22429**
Calendar Year Imports	0	6503	0	6515	0	7350
Calendar Yr Imp. U.S.	0	1	0	5	0	10
Calendar Year Exports	0	39	0	93	0	75
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Oilseeds PSD Tables

Table 4. Soybeans

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Soybeans**				(1000 HA)	(1000 MT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Area Planted	9800	9589	0	10000	0	9900
Area Harvested	9590	9589	9600	10000	0	9900
Beginning Stocks	2100	1939	4700	3339	4100	3589
Production	17400	17400	17000	18300	0	18000
MY Imports	25802	25802	27500	26800	0	28500
MY Imp. from U.S.	0	11873	0	10000	0	10500
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**45302**	**45141**	**49200**	**48439**	**4100**	**50089**
MY Exports	390	390	370	400	0	400
MY Exp. to the EC	0	8	0	0	0	0
Crush Dom. Consumption	30362	31312	34510	34000	0	35200
Food Use Dom. Consump.	8000	8250	8500	8600	0	9000
Feed,Seed,Waste Dm.Cn.	1850	1850	1720	1850	0	1850
TOTAL Dom. Consumption	40212	41412	44730	44450	0	46050
Ending Stocks	4700	3339	4100	3589	0	3639
TOTAL DISTRIBUTION	**45302**	**45141**	**49200**	**48439**	**0**	**50089**
Calendar Year Imports	0	20178	0	26590	0	27500
Calendar Yr Imp. U.S.	0	10197	0	11048	0	11000
Calendar Year Exports	0	334	0	396	0	400
Calndr Yr Exp. to U.S.	0	27	0	42	0	50

Table 5. Rapeseed

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Rapeseed**				(1000 HA)(1000 MT)	
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Area Planted	0	8200	0	7500	0	7450
Area Harvested	7272	7271	7300	7500	0	7450
Beginning Stocks	0	0	0	0	0	0
Production	13182	13182	11400	11300	0	11500
MY Imports	316	316	1200	300	0	400
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**13498**	**13498**	**12600**	**11600**	**0**	**11900**
MY Exports	0	0	0	5	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	12848	12828	12050	10935	0	11240
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	650	670	550	660	0	660
TOTAL Dom. Consumption	13498	13498	12600	11595	0	11900
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**13498**	**13498**	**12600**	**11600**	**0**	**11900**
Calendar Year Imports	0	424	0	298	0	400
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	5	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 6. Peanuts

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Peanut**				(1000 HA)	(1000 MT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Area Planted	5400	4745	5400	5000	0	5000
Area Harvested	4745	4745	4900	5000	0	5000
Beginning Stocks	0	0	0	0	0	0
Production	14340	14342	13800	14700	0	14600
MY Imports	2	2	2	1	0	1
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**14342**	**14344**	**13802**	**14701**	**0**	**14601**
MY Exports	1020	1080	950	1150	0	1100
MY Exp. to the EC	0	210	0	250	0	260
Crush Dom. Consumption	7002	7164	6992	7200	0	7511
Food Use Dom. Consump.	5480	5300	5030	5501	0	5150
Feed,Seed,Waste Dm.Cn.	840	800	830	850	0	840
TOTAL Dom. Consumption	13322	13264	12852	13551	0	13501
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**14342**	**14344**	**13802**	**14701**	**0**	**14601**
Calendar Year Imports	0	1	0	1	0	1
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	1050	0	1000	0	1000
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 7. Sunflower Seed

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Sunflower Seed**				(1000 HA)	(1000 MT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Area Planted	1250	1100	0	1100	0	1100
Area Harvested	935	935	1000	1000	0	1100
Beginning Stocks	0	0	0	0	0	0
Production	1552	1552	1600	1700	0	1750
MY Imports	1	1	3	3	0	2
MY Imp. from U.S.	0	0	0	2	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**1553**	**1553**	**1603**	**1703**	**0**	**1752**
MY Exports	114	114	70	110	0	110
MY Exp. to the EC	0	40	0	40	0	50
Crush Dom. Consumption	710	694	750	804	0	832
Food Use Dom. Consump.	649	650	700	694	0	720
Feed,Seed,Waste Dm.Cn.	80	95	83	95	0	90
TOTAL Dom. Consumption	1439	1439	1533	1593	0	1642
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**1553**	**1553**	**1603**	**1703**	**0**	**1752**
Calendar Year Imports	0	2	0	4	0	2
Calendar Yr Imp. U.S.	0	1	0	2	0	2
Calendar Year Exports	0	76	0	70	0	100
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 8. Cotton Seeds

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Cottonseed**				(1000 HA)(1000 MT)(RATIO)	
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Area Planted (COTTON)	0	5690	0	5200	0	5400
Area Harvested(COTTON)	5690	5690	5100	5100	0	5400
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	11500	11500	10270	10200	0	10800
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**11500**	**11500**	**10270**	**10200**	**0**	**10800**
MY Exports	13	13	3	4	0	5
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	8815	10050	8107	8700	0	9250
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	2672	1437	2160	1496	0	1545
TOTAL Dom. Consumption	11487	11487	10267	10196	0	10795
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**11500**	**11500**	**10270**	**10200**	**0**	**10800**
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Meals PSD Tables

Table 9. Soybean Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity				**Meal, Soybean**	(1000MT) (PERCENT)	
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	30362	31312	34510	34000	0	35200
Extr. Rate, 999.9999	0.791318	0.791326	0.795914	0.791176	0	0.791193
Beginning Stocks	0	0	0	0	0	0
Production	24026	24778	27467	26900	0	27850
MY Imports	69	69	230	250	0	250
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**24095**	**24847**	**27697**	**27150**	**0**	**28100**
MY Exports	664	634	700	600	0	500
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	670	700	630	720	0	730
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	22761	23513	26367	25830	0	26870
TOTAL Dom. Consumption	23431	24213	26997	26550	0	27600
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**24095**	**24847**	**27697**	**27150**	**0**	**28100**
Calendar Year Imports	0	55	0	50	0	50
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	657	0	650	0	600
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 10. Rapeseed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Rapeseed**				(1000MT)	(PERCENT)
	2004	Revised	Revised	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	Post Estimate [New]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	12848	12828	12828	10935	0	11240
Extr. Rate, 999.9999	0.628814	0.628781	0.628781	0.628715	0	0.628648
Beginning Stocks	0	0	0	0	0	0
Production	8079	8066	8066	6875	0	7066
MY Imports	90	90	90	45	0	50
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**8169**	**8156**	**8156**	**6920**	**0**	**7116**
MY Exports	76	125	125	50	0	50
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	350	360	360	370	0	375
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	7743	7671	7671	6500	0	6691
TOTAL Dom. Consumption	8093	8031	8031	6870	0	7066
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**8169**	**8156**	**8156**	**6920**	**0**	**7116**
Calendar Year Imports	0	94	94	40	0	50
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	125	125	120	0	55
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 11. Peanut Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Peanut**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	7002	7164	6992	7200	0	7511
Extr. Rate, 999.9999	0.379177	0.379118	0.390732	0.379028	0	0.379044
Beginning Stocks	0	0	0	0	0	0
Production	2655	2716	2732	2729	0	2847
MY Imports	46	46	65	70	0	70
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**2701**	**2762**	**2797**	**2799**	**0**	**2917**
MY Exports	6	6	10	10	0	8
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	2695	2756	2787	2789	0	2909
TOTAL Dom. Consumption	2695	2756	2787	2789	0	2909
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**2701**	**2762**	**2797**	**2799**	**0**	**2917**
Calendar Year Imports	0	76	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	4	0	15	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 12. Sunflower Seed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Sunflower Seed**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	710	694	750	804	0	832
Extr. Rate, 999.9999	0.540845	0.540346	0.541333	0.541045	0	0.540865
Beginning Stocks	0	0	0	0	0	0
Production	384	375	406	435	0	450
MY Imports	10	10	10	5	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**394**	**385**	**416**	**440**	**0**	**450**
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	80	80	64	80	0	80
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	314	305	352	360	0	370
TOTAL Dom. Consumption	394	385	416	440	0	450
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**394**	**385**	**416**	**440**	**0**	**450**
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 13. Cotton Seed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Cottonseed**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	8815	10050	8107	8700	0	9250
Extr. Rate, 999.9999	0.425752	0.425672	0.425682	0.425287	0	0.42573
Beginning Stocks	0	0	0	0	0	0
Production	3753	4278	3451	3700	0	3938
MY Imports	0	1	3	1	0	1
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**3753**	**4279**	**3454**	**3701**	**0**	**3939**
MY Exports	69	69	70	90	0	100
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	140	140	120	141	0	145
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	3544	4070	3264	3470	0	3694
TOTAL Dom. Consumption	3684	4210	3384	3611	0	3839
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**3753**	**4279**	**3454**	**3701**	**0**	**3939**
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 14. Fish Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Fish**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Catch For Reduction	0	0	0	0	0	0
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	310	310	300	300	0	310
MY Imports	1582	1580	1550	1250	0	1350
MY Imp. from U.S.	0	75	0	80	0	85
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**1892**	**1890**	**1850**	**1550**	**0**	**1660**
MY Exports	6	6	7	7	0	8
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	1886	1884	1843	1543	0	1652
TOTAL Dom. Consumption	1886	1884	1843	1543	0	1652
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**1892**	**1890**	**1850**	**1550**	**0**	**1660**
Calendar Year Imports	0	1580	0	1250	0	1350
Calendar Yr Imp. U.S.	0	75	0	80	0	85
Calendar Year Exports	0	2	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Oils Tables

Table 15. Soybean Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Soybean**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2005
Crush	30362	31312	34510	34000	0	35200
Extr. Rate, 999.9999	0.17854555	0.178494	0.179832	0.178235	0	0.178409
Beginning Stocks	341	320	247	220	230	200
Production	5421	5589	6206	6060	0	6280
MY Imports	1739	1728	2200	2400	0	2500
MY Imp. from U.S.	0	1	0	5	0	10
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**7501**	**7637**	**8653**	**8680**	**230**	**8980**
MY Exports	40	40	50	80	0	50
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	7214	7377	8373	8400	0	8700
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	7214	7377	8373	8400	0	8700
Ending Stocks	247	220	230	200	0	230
TOTAL DISTRIBUTION	**7501**	**7637**	**8653**	**8680**	**0**	**8980**
Calendar Year Imports	0	2515	0	1694	0	2200
Calendar Yr Imp. U.S.	0	1	0	5	0	10
Calendar Year Exports	0	20	0	63	0	50
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 16. Rapeseed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Rapeseed**				(1MT)(PERCENT)	
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	12848	12828	12050	10935	0	11240
Extr. Rate, 999.9999	0.354608	0.354849	0.358921	0.35455	0	0.354626
Beginning Stocks	0	0	0	0	0	0
Production	4556	4552	4325	3877	0	3986
MY Imports	209	209	250	350	0	400
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**4765**	**4761**	**4575**	**4227**	**0**	**4386**
MY Exports	9	9	50	50	0	50
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	4756	4752	4525	4177	0	4336
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	4756	4752	4525	4177	0	4336
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**4765**	**4761**	**4575**	**4227**	**0**	**4386**
Calendar Year Imports	0	353	0	360	0	400
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	5	0	10	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 17. Peanut Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Peanut**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	7002	7164	6992	7200	0	7511
Extr. Rate, 999.9999	0.313053	0.313093	0.317506	0.3175	0	0.313141
Beginning Stocks	0	0	0	0	0	0
Production	2192	2243	2220	2286	0	2352
MY Imports	0	1	0	1	0	2
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**2192**	**2244**	**2220**	**2287**	**0**	**2354**
MY Exports	20	20	20	20	0	20
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	2172	2224	2200	2267	0	2334
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	2172	2224	2200	2267	0	2334
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**2192**	**2244**	**2220**	**2287**	**0**	**2354**
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	14	0	20	0	20
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 18. Palm Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Palm				(1000 HA)(1000 TREES)(1000 MT)	
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	4363	4319	4750	4750	0	4900
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**4363**	**4319**	**4750**	**4750**	**0**	**4900**
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	1644	1500	1900	1700	0	1750
Food Use Dom. Consump.	2719	2819	2850	3050	0	3150
Feed Waste Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	4363	4319	4750	4750	0	4900
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**4363**	**4319**	**4750**	**4750**	**0**	**4900**
Calendar Year Imports	0	3500	0	4320	0	4600
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 19. Sunflower Seed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Sunflower Seed**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	710	694	750	804	0	832
Extr. Rate, 999.9999	0.356338	0.355908	0.36	0.355721	0	0.355769
Beginning Stocks	0	0	0	0	0	0
Production	253	247	270	286	0	296
MY Imports	1	1	10	5	0	5
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**254**	**248**	**280**	**291**	**0**	**301**
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	254	248	280	291	0	301
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	254	248	280	291	0	301
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**254**	**248**	**280**	**291**	**0**	**301**
Calendar Year Imports	0	22	0	1	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 20. Cottonseed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Cottonseed**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	8815	10050	8107	8700	0	9250
Extr. Rate, 999.9999	0.1455474	0.145572	0.145553	0.145632	0	0.14573
Beginning Stocks	0	0	0	0	0	0
Production	1283	1463	1180	1267	0	1348
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**1283**	**1463**	**1180**	**1267**	**0**	**1348**
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	100	0	120	0	120
Food Use Dom. Consump.	1283	1363	1180	1147	0	1228
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	1283	1463	1180	1267	0	1348
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**1283**	**1463**	**1180**	**1267**	**0**	**1348**
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 21. Coconut Oil (Copra)

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Coconut**				(1000MT)	(PERCENT)
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2004		10/2005		10/2006
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	132	132	180	150	0	160
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	**132**	**132**	**180**	**150**	**0**	**160**
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	132	132	180	150	0	160
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	132	132	180	150	0	160
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**132**	**132**	**180**	**150**	**0**	**160**
Calendar Year Imports	0	113	0	140	0	150
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean & Rapeseed Wholesale Price Tables

Table 22. Wholesale Soybean Prices CY2005

Unit: RMB Yuan/MT: 8.07RMB=US$1.00												
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	2,300	2,600	2,660	2,540	2,650	2,680	2,580	2,460	2,440	2,420	2,300	2,350
Hebei	2,320	2,600	2,680	2,550	2,640	2,650	2,560	2,450	2,440	2,420	2,300	2,360
Jilin	2,180	2,480	2,620	2,540	2,580	2,550	2,500	2,480	2,500	2,300	2,320	2,300
Heilongjiang	2,160	2,360	2,580	2,480	2,500	2,520	2,500	2,480	2,450	2,260	2,260	2,240
Shanghai	2,320	2,680	2,840	2,600	2,680	2,740	2,640	2,480	2,520	2,460	2,420	2,460
Jiangsu	2,320	2,680	2,780	2,600	2,660	2,730	2,620	2,460	2,540	2,450	2,420	2,440
Shangdong	2,300	2,600	2,720	2,580	2,620	2,650	2,600	2,500	2,520	2,430	2,410	2,400
Henan	2,340	2,720	2,760	2,640	2,700	2,700	2,620	2,520	2,540	2,520	2,500	2,460
Guangdong	2,380	2,700	2,840	2,640	2,560	2,660	2,620	2,480	2,520	2,480	2,450	2,450
Average	2,291	2,602	2,720	2,574	2,621	2,653	2,582	2,479	2,497	2,416	2,376	2,384
Jan-Dec Change = +4%												

Source: China National Grains & Oils Information Center, Beijing

Table 23. Wholesale Soybean Meal Prices in CY2005

Unit: RMB Yuan/MT: 8.07RMB=US$1.00												
Province	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	2,703	3,033	3,590	3,210	2,720	2,830	2,790	2,840	2,910	2,500	2,420	2,380
Hebei	2,713	3,043	3,600	3,220	2,730	2,840	2,800	2,850	2,920	2,460	2,380	2,380
Jilin	2,600	2,900	3,400	3,200	2,900	2,900	2,800	2,800	2,820	2,450	2,300	2,300
Heilongjiang	2,520	2,700	3,250	3,180	2,980	2,920	2,820	2,650	2,800	2,250	2,200	2,200
Shanghai	2,800	3,200	3,700	3,220	2,650	2,860	2,800	2,820	2,950	2,650	2,420	2,420
Jiangsu	2,780	3,150	3,700	3,250	2,700	2,850	2,780	2,820	2,950	2,500	2,440	2,450
Shangdong	2,720	3,000	3,550	3,230	2,750	2,850	2,750	2,850	2,860	2,550	2,400	2,400
Henan	2,800	3,080	3,600	3,300	2,900	2,820	2,850	2,950	2,950	2,550	2,500	2,500
Guangdong	2,680	3,100	3,650	3,230	2,750	2,980	2,820	2,850	3,020	2,480	2,400	2,450
Average	2,702	3,023	3,560	3,227	2,787	2,872	2,801	2,826	2,909	2,488	2,384	2,387
Jan-Dec Change = -13%												

Source: China National Grains & Oils Information Center, Beijing

Table 24. Wholesale Soybean Oil Prices in CY2005

Unit: RMB Yuan/MT: 8.07RMB=US$1.00												
Province	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	5,850	5,820	5,680	5,600	5,440	5,340	5,200	5,280	5,060	5,040	5,400	5,200
Hebei	5,860	5,820	5,680	5,600	5,440	5,350	5,180	5,280	5,060	5,040	5,400	5,200
Jilin	5,860	5,840	5,480	5,550	5,500	5,360	5,200	5,360	5,180	5,040	5,480	5,320
Heilongjiang	5,700	5,800	5,340	5,480	5,460	5,250	5,200	5,360	5,180	4,980	5,500	5,240
Shanghai	5,750	5,840	5,760	5,700	5,460	5,250	5,140	5,200	5,080	5,060	5,250	5,200
Jiangsu	5,800	5,820	5,740	5,680	5,420	5,220	5,120	5,160	5,050	5,080	5,250	5,150
Shangdong	5,850	5,820	5,600	5,580	5,300	5,100	5,050	5,160	5,000	5,040	5,400	5,200
Henan	6,000	5,940	5,760	5,620	5,400	5,350	5,160	5,260	5,080	5,080	5,450	5,250
Guangdong	5,740	5,760	5,720	5,540	5,220	5,020	5,000	5,050	4,940	4,950	5,140	5,120
Average	5,823	5,829	5,640	5,594	5,404	5,138	5,139	5,234	5,070	5,034	5,363	5,209
Jan-Dec Change = -12%												

Source: China National Grains & Oils Information Center, Beijing

Table 25. Wholesale Rapeseed Oil Prices in CY2005

Unit: RMB Yuan/MT: 8.07RMB=US$1.00												
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jiangsu	5,950	5,940	5,920	5,720	5,480	5,300	5,320	5,200	5,120	5,050	5,120	5,120
Zhejiang	5,950	5,940	5,960	5,750	5,600	5,340	5,320	5,220	5,140	5,140	5,220	5,200
Anhui	5,850	5,860	5,860	5,720	5,460	5,200	5,220	5,200	5,080	5,040	5,120	5,100
Jiangxi	5,920	5,940	5,960	5,750	5,580	5,250	5,300	5,180	5,120	5,060	5,120	5,150
Hubei	5,950	5,930	6,000	5,650	5,460	5,180	5,250	5,160	5,080	5,060	5,100	5,100
Hunan	5,950	5,960	6,020	5,750	5,460	5,240	5,250	5,160	5,080	5,100	5,200	5,120
Sichuan	6,200	6,260	6,240	5,800	5,540	5,320	5,380	5,280	5,320	5,280	5,350	5,200
Average	5,967	5,976	5,994	5,734	5,511	5,261	5,291	5,200	5,134	5,104	5,176	5,140
Jan-Dec Change = -16%												

Source: China National Grains & Oils Information Center, Beijing

Table 26. A Comparison of Wholesale Prices for Soy & Rapeseed Oil in CY2005

Oils	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Rapeseed	5967	5976	5994	5734	5511	5261	5291	5200	5134	5104	5176	5140
Palm Oil	4154	4425	4754	4708	4609	4363	4323	4270	4409	4338	4256	4160
Soy	5823	5829	5640	5594	5404	5138	5139	5234	5070	5034	5363	5209
Diff % Rape/Soy	2.4	2.5	5.9	2.4	1.9	2.3	2.9	-0.7	1.2	1.4	-3.6	-1.3
Diff % Palm/Soy	-28.7	-24.1	-15.7	-15.8	-14.7	-15.1	-15.9	-18.4	-13.0	-13.8	-20.6	-20.1

Source: China National Grains & Oils Information Center, Beijing

Tariff Rate Quota Tables

Table 27. Soybean Oil

HS Code	Quotas and Tariffs	Other terms and conditions
	Initial Quota: 2,118,000 MT Final Quota: 3,587,100 MT	1) STE share = 42% to 10% (See Notes 1 and 2) 2) Staging of TRQ for soybean oil: Year: TRQ quantity: 2002 2,518,000 mt 2003 2,818,000 mt 2004 3,118,000 mt 2005 3,587,100 mt Staging of STE share: Year: Share: 2002 34% 2003 26% 2004 18% 2005 10% **Tariff rate quotas eliminated on 1 January 2006.**
15071000	Tariff: 9%	
15079000	Tariff: 9%	

Table 28. Rapeseed Oil

	Initial Quota: 739,200 MT Final Quota: 1,243,000 MT	1) STE share = 42% to 10% (See Notes 1 and 2) 2) Staging of TRQ for rape-seed oil Year: TRQ quantity: 2002 878,900 mt 2003 1,018,600 mt 2004 1,126,600 mt 2005 1,243,000 mt Staging of STE share: Year: Share: 2002 34% 2003 26% 2004 18% 2005 10% **Tariff rate quotas eliminated on 1 January 2006.**
15141010	Tariff: 9%	
15141090	Tariff: 9%	
15149000	Tariff: 9%	

Table 29. Palm Oil

	Initial Quota: 2,100,000 MT Final Quota: 3,168,000 MT	1) STE share = 42% to 10% (See Notes 1 and 2) 2) Staging of TRQ for palm oil Year: TRQ quantity: 2002 2,400,000 mt 2003 2,600,000 mt 2004 2,700.000 mt 2005 3,168,000 mt Staging of STE share: Year: Share: 2002 34% 2003 26% 2004 18% 2005 10% **Tariff quotas eliminated on 1 January 2006**. 3) China agrees to provide adequate opportunities in increasing the established import quota levels of TRQs for palm oil in case of an excessive demand for palm oil within China that is over and above that of the present TRQs as evidenced by the complete utilization of TRQs for palm oil in the previous year. 4) Any adjustments to tariffs, import quota levels of TRQs, import rights (when respect to state trading enterprises) and implementation period resulting from the conclusion of future bilateral negotiations with other oils and fats exporting countries.
15111000	Tariff: 9%	
15119000	Tariff: 9%	

Taxes and Duties Tables (Jan 01-Dec 31, 2006)

Table 30. Oilseeds

HS Code	Description	M.F.N.(%)	V.A.T.(%)
12010010	Soybeans, seed		13
12010091	Yellow soybean	3	13
12010092	Black soybean	3	13
12010093	Green soybean	3	13
12010099	Other soybean	3	13
12021010	In shell peanut, seed		13
12021090	In shell peanut, other	15	13
12022000	Shelled peanut	15	13
20081110	Peanut kernels, in airtight containers	30	17
20081120	Roasted peanuts	30	17
20081130	Peanut butter	30	17
20081190	Other processed peanuts	30	17
12051010	Low erucic acid rape seed, seed		13
12051090	Low erucic acid rape seed, other	9	13
12059010	Other rapeseed, seed		13
12059090	Other rapeseed, other	9	13
12060010	Sunflower seeds, seed		13
12060090	Sunflower seeds, other	15	13
12072010	Cottonseeds for cultivation		13
12072090	Cottonseeds, other	15	13
12074010	Sesame seeds for cultivation		13
12074090	Sesame seeds, other	10	13

Table 31. Oils

HS Code	Description	M.F.N.(%)	V.A.T.(%)
15071000	Crude soybean oil	9	13
15079000	Other soybean oil	9	13
15081000	Crude peanut oil	10	13
15089000	Other peanut oil	10	13
15091000	Olive Oil, virgin	10	13
15099000	Olive oil, other	10	17
15111000	Palm oil, crude	9	13
15119010	Palm oil, liquid	9	13
15119020	Stearin	8	13
15119090	Palm oil, other	9	17
15121100	Crude sunflower seed oil	9	13
15121900	Other sunflower seed oil	9	17
15122100	Crude cottonseed oil	10	13
15122900	Other cottonseed oil	10	17
15131100	Crude coconut oil	9	13
15131900	Other coconut oil	9	13
15132100	Crude palm kernel oil	9	13
15132900	Other palm kernel oil	9	17
15141100	Crude low erucic acid rape or colza oil	9	13
15141900	Other crude low erucic acid rape oil	9	13
15149110	Crude rape or colza oil	9	13
15149190	Crude mustard oil	9	13
15149900	Other rape oil	9	17

Table 32. Meals

H S Code	Description	M.F.N.(%)	V.A.T.(%)
12081000	Soyflour	9	17
23012010	Fish meal	2	13
23025000	Legume sweepings	5	13
23040010	Soy meal, oil cake	5	13
23040090	Soy meal, other	5	13
23050000	Peanut meal	5	13
23061000	Cottonseed meal	5	13
23063000	Sunflower seed meal	5	13
23064100	Low erucic acid rapeseed meal	5	13
23064900	Other rapeseed meal	5	13